

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	X
In re	:
	Chapter 11
SEARS HOLDINGS CORPORATION, et al.,	:
	Case No. 18-23538 (RDD)
	:
Debtors.¹	:
	(Jointly Administered)
	X

**TWENTY-EIGHTH MONTHLY FEE STATEMENT OF M-III ADVISORY PARTNERS,
LP FOR COMPENSATION EARNED AND EXPENSES INCURRED
FOR PERIOD OF JANUARY 1, 2021 THROUGH JANUARY 31, 2021**

1. In accordance with the *Order Authorizing Debtors to Retain M-III Advisory Partners, LP to Provide a Chief Restructuring Officer and Certain Additional Personnel for Debtors Nunc Pro Tunc To Commencement Date* [ECF No. 814] (the “**Retention Order2 M-III Advisory Partners, LP (“**M-III**”) hereby submits its twenty-eighth monthly report (the “**Monthly Report**”) on compensation earned and expenses incurred for the period commencing on January 1, 2021 through and including January 31, 2021 (the “**Reporting****

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovole Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation) (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is c/o M-III Partners, LP, 1700 Broadway, 19th Floor, New York, NY 10019.

² Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Retention Order.

Period"). During the Reporting Period, M-III incurred total fees and expenses of \$787,612.46, comprised of \$784,949.00 of fees and \$2,663.46 of expenses.

2. During the Reporting Period, M-III provided services central to the Debtors' restructuring process, including:

- a. Chief Restructuring Officer: Mohsin Y. Meghji in his role as Chief Restructuring Officer, continued to provide day-to-day oversight regarding issues including but not limited to: cash/liquidity management, the resolution of post-closing disputes with the Buyer, post-asset sale matters, and other Chapter 11 reporting requirements, as well as supervising all activity by the M-III team.
- b. Asset Disposition: On an ongoing basis, M-III prepared and updated analyses between OldCo and the Buyer and prepared other analyses related to the sale. M-III also responded to numerous vendor inquiries related to non-payment due to the ongoing dispute between the Debtors' Estate and the Buyer as to which entity will pay the creditors. M-III also assisted the Debtors' in valuation analysis related to the SRC, India and Hong Kong entities. M-III also assisted the Debtors' in analyzing the dissolution of Guam, Puerto Rico and US Virgin Islands.
- c. Business Operations: On an ongoing basis, M-III assisted the Debtors with issues related to operating as a debtor-in-possession operating in chapter 11. M-III also assisted the Debtors in setting up new bank accounts at a new financial institution including setting up users for on-line access. M-III also assisted the Debtors in processing insurance claims. M-III also assisted the Debtors with various inquires related to the tax returns for short period one. M-III also prepared numerous accounts payable requests and maintained reporting for non-real estate accounts payable. M-III also sent creditors payment confirmations.
- d. Case Administration: On an ongoing basis, M-III advised and assisted the Debtors with respect to internal and external communications planning and documentation. M-III also completed analysis and assisted the Debtors on various motions. M-III also prepared for and participated in strategic meetings with Debtors' counsel. M-III also assisted the Debtors on quarterly reporting related to Ordinary Course Professionals. M-III also prepared an update presentation to the Bankruptcy Court and attended the Bankruptcy Court hearing.
- e. Claims Administration and Objections (Other Than Governmental Units, Real Estate and Secured Claims): M-III advised and assisted the Debtors with reconciling the Administrative Expense Consent Program Non Opt-Out Group for administrative claimants that filed an Opt-In Ballot and were not part of the initial and second distribution, filed a Non Opt-Out Ballot or did not respond to the Ballot. This included reconciling the creditors amounts to the company's books and records and negotiating with creditors. M-III also responded to numerous inquiries from creditors regarding the Administrative Expense Consent Program

Ballot, the claims reconciliation process and second distribution. M-III also continued to assist in settlement agreement negotiations with creditors and Debtor's counsel. M-III also continued to maintain reporting and tracking related to the Administrative Expense Consent Program Ballot and the claims reconciliation process. M-III also initiated initial reviews of Opt-Out Ballots in comparison to the Debtors' books and records.

- f. Claims Administration and Objections (Governmental Units): M-III advised and assisted the Debtors with reconciling the administrative and priority tax claims related to governmental units. This included reconciling the creditors amounts to the company's books and records and negotiating with creditors. M-III also responded to numerous inquiries from creditors regarding the claim's reconciliation process. M-III also assisted the Debtors in settlement agreement negotiations with creditors and Debtor's counsel. M-III also continued to maintain reporting and tracking related to the claim's reconciliation process.
- g. Claims Administration and Objections (Secured Claims): M-III advised and assisted the Debtors with reconciling the secured claims including consignment claims. This included reconciling the claim amounts to the company's books and records and negotiating with creditors. M-III also prepared omnibus objections to claims. M-III also assisted the Debtors in settlement agreement negotiations with the creditors and Debtor's counsel. M-III also continued to maintain reporting and tracking related to the secured claims reconciliation process.
- h. Corporate Governance and Board Matters: On an ongoing basis, M-III prepared for and participated in meetings of the Restructuring Committee of the Board.
- i. Employment and Fee Applications: M-III prepared its monthly invoice in compliance with its retention order. M-III also coordinated with the company to submit professional fee invoices and updated the professional fee reporting.
- j. Estate Tracker Reporting: M-III also prepared weekly reports to illustrate cash flows and liquidity as compared to the forecast including related methodologies, as well as cash management planning. M-III distributed the weekly variance reports to the Restructuring Committee, Pre-Effective Date Committee and Creditors' Committee and addressed questions from these parties as they arose.
- k. Litigation: M-III continued to review and analyze updates related to the Calder Sculpture.
- l. Meetings and Communications with Creditors: On an ongoing basis, M-III prepared for and participated in meetings and teleconferences with the Official Committee of Unsecured Creditors and their respective advisors.
- m. Meetings and Communications with Restructuring Committee: On an ongoing basis, M-III prepared and participated in meetings and teleconferences with the Debtors' Restructuring Committee.

- n. Meetings and Communications with Pre-Effective Date Committee: On an ongoing basis, M-III prepared and participated in meetings and teleconferences with the Debtors' Pre-Effective Date Committee.
- o. Non-Debtor Entities Remaining with the Debtors: On an ongoing basis, M-III assisted with accounting and other matters related to SHC Israel Ltd. and Sears Holdings Mauritius Holding Company.
- p. Ordinary Course Professionals (OCP): On an ongoing basis, M-III assisted the Debtors with reviewing and preparing the OCP invoices for payment in accordance with the OCP Motion, maintained respective reporting and sent payment confirmations. M-III also continues to work with the Debtors to resolve other legal non-OCP invoices and matters related to the case.
- q. Preference Analysis: M-III worked with the preference firms to support the preference project across the engaged firms including providing the Debtors resolution amounts for numerous claims and following up with the Debtors on inquiries related to the resolution of preferences.
- r. Real Estate – Property Management: On an ongoing basis, M-III assisted the Debtors in the management of its real estate assets.
- s. Real Estate – Property Taxes Payable by the Estate: On an ongoing basis, M-III assisted the Debtors in analyzing property tax bills presented for payment to determine what amount, if any, is owed by the Debtors or potentially other parties.
- t. Real Estate – Unencumbered Real Estate Sales & Analysis: On an ongoing basis, M-III assisted the Debtors in due diligence, analysis, reporting, marketing and monetization related to the unencumbered real estate. M-III worked closely with the Debtors to list, market and sell unencumbered assets to a variety of real estate investors. M-III also assisted the Debtors with the analysis of unencumbered properties with a view towards selling these assets in a timely manner for favorable prices.
- u. Real Estate – Claims Administration and Objections: On an ongoing basis M-III assisted the Debtors with reviewing and reconciling the administrative and priority claims related to real estate. M-III also assisted the Debtors with preparing the omnibus objections to claims and continue to assist in settlement agreement negotiations with creditors and Debtor's counsel. M-III also responded to creditor inquiries related to the second distribution. M-III also continued to maintain reporting and tracking related to the real estate claims reconciliation process.
- v. Reporting: On an ongoing basis, M-III assisted with matters related to the US Trustee, assisted the Debtors with accounting related items including but not limited to, aggregating monthly bank statements, reviewing monthly financial statement accounts, monthly reporting for the Post-Confirmation Corporate

Quarterly Operating Report, developing and updating the OldCo budget and forecast and other accounting related items.

- w. Unclaimed Funds: On an ongoing basis, M-III assisted in the unclaimed funds process and followed up with the Debtors on inquiries related to additional information regarding unclaimed funds.

3. **Exhibit A** attached hereto includes a summary of fees and expenses and a list of the personnel that provided services to the Debtors during the Reporting Period, their respective titles, their respective billing rates, the aggregate hours spent by each individual, and the total compensation earned by each individual.

4. **Exhibit B** attached hereto is a breakdown of the reasonable expenses incurred by M-III during the Reporting Period.

Dated: February 22, 2021
New York, New York

By: /s/ Mohsin Y. Meghji

Mohsin Y. Meghji
Managing Member
M-III Advisory Partners, LP
1700 Broadway,
19th Floor
New York, NY 10019

Exhibit A

Case No.: 18-23538 (RDD)
Case Name: Sears Holdings Corporation
M-III Advisory Partners, LP
January 1 Through January 31, 2021

Summary of Compensation Sought for the Reporting Period

TOTAL HOURS	TOTAL FEES	TOTAL EXPENSES	TOTAL COMPENSATION	MONTHLY COMPENSATION FEES (100%)	MONTHLY COMPENSATION EXPENSES (100%)	TOTAL MONTHLY COMPENSATION
1,154.3	\$784,949.00	\$2,663.46	\$787,612.46	\$784,949.00	\$2,663.46	\$787,612.46

Case No.: 18-23538 (RDD)

Case Name: Sears Holdings Corporation

M-III Advisory Partners, LP

January 1 Through January 31, 2021

Summary of Hours Billed by Professional

Employee Name	Initial	Title	Total Hours	Rate (a)	Total
Meghji, Mohsin	MM	Managing Partner	10.0	\$1,225	\$12,250.00
Adams, Colin	CA	Senior Managing Director	5.5	\$1,100	6,050.00
Gallagher, William	WG	Managing Director	77.8	\$1,050	81,690.00
Griffith, Brian	BG	Managing Director	89.0	\$1,050	93,450.00
Murphy, William	WM	Senior Director	126.0	\$875	110,250.00
Acevedo, Enrique	EA	Director	27.6	\$750	20,700.00
Korycki, Mary	MK	Director	238.2	\$850	202,470.00
Flanagan, Tomas	TF	Associate	109.8	\$495	54,351.00
Kim, Tyler	TK	Associate	160.6	\$495	79,497.00
Kopsky, Colin	CK	Associate	18.7	\$495	9,256.50
Coletta, Tim	TC	Analyst	33.9	\$395	13,390.50
Morris, Paul	PM	Analyst	74.0	\$395	29,230.00
Navor, Glenn	GN	Analyst	151.0	\$395	59,645.00
Ramnani, Ravi	RR	Analyst	12.5	\$395	4,937.50
Urena, Amanda	AU	Analyst	19.7	\$395	7,781.50
Total			1,154.3		\$784,949.00

Note:

- (a) The billing rate reflects M-III Advisory Partners, LP 2021 billing rates.

Exhibit B

Case No.: 18-23538 (RDD)

Case Name: Sears Holdings Corporation

M-III Advisory Partners, LP

January 1 Through January 31, 2021

Summary of Necessary Expenses Incurred

Description	Total
Telephone/Internet/IT	\$2,663.46
Total (a)	\$2,663.46

Note(s):

- (a) Total amounts are based on M-III's expense reporting system as of the date of this Monthly Report and may not be reflective of all expenses incurred during the Reporting Period. As such, future monthly reports may include expenses incurred during the Reporting Period.